

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2001 - SB 1960

February 16, 2022

SUMMARY OF BILL: Requires Metro Nashville to allocate the entirety of certain hotel privilege tax revenue designated for “direct promotion of tourism” to fund a competitively bid contract for the direct promotion of tourism. Defines “direct promotion of tourism”.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Tennessee Code Annotated § 7-4-102 authorizes Metro Nashville to impose a privilege hotel occupancy tax at the total rate of six percent.
- Pursuant to Tenn. Code Ann. § 7-4-110(b)(1), one-third of the revenue raised from the one percent portion of the privilege tax authorized pursuant to § 7-4-102(b)(2) must be used for the “direct promotion of tourism” in the county.
- The proposed legislation defines “direct promotion of tourism” as tourism promotion activities exclusively by and through a competitively bid contract to an entity whose primary purpose is the direct promotion of tourism within the county.
- According to Metro Nashville, there is currently a competitively bid contract in place for the direct promotion of tourism.
- Prohibiting Metro Nashville from using such tax revenue for other purposes and defining “direct promotion of tourism” will not result in a significant fiscal impact to the local government.
- The legislation will have no impact on total tax revenue generated by Metro Nashville.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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